

6 July 2022

<b>Report of</b>	<b>Assistant Director for Customer</b>	<b>Author</b>	<b>Sam Preston</b>
<b>Title</b>	<b>Council Tax Rebate</b>		<b>☎ 07966237492</b>
<b>Wards affected</b>	Not applicable		

## 1. Executive Summary

- 1.1 In February 2022, the Government announced measures to support residents with increasing fuel costs. This included a Council Tax Rebate of £150 for all residents liable to pay Council Tax in properties band A-D and funding for Local Authorities to deliver a discretionary scheme.
- 1.2 In Colchester there are approximately 64,175 properties in council tax bands A-D which would be eligible for the £150 rebate payment. To date 52,706 payments have been made which accounts for 82%. The majority of payments have been made to those paying council tax by direct debit.
- 1.3 In order to collect bank details for those not currently paying by direct debit, an online form was created. To date over 7,300 forms have been completed, 5,500 requesting payment to bank account and 1,800 requesting a credit on account. There is a detailed verification process for applications to ensure eligibility and accuracy. The first batch of 3,325 payments has now been processed. Payments will continue up until September when the scheme ends.
- 1.4 The Council has designed a local discretionary scheme (see background papers) which is now live for applications. The software provider released the system update which enables payments under the discretionary scheme on 15 June. This was quickly implemented/tested, and 96 discretionary payments were made on 17 June.

## 2. Action Required

- 2.1 To consider the approach for implementation of the above schemes to date and consider any further action required.

## 3. Reason for Scrutiny

- 3.1 To provide an update on progress.

#### **4. Background Information**

- 4.1 Following the Government announcement of the rebate and subsequent guidance being released, it was clear that the biggest challenge for processing payments would be around collecting data from residents not currently paying by direct debit.
- 4.2 Approximately 48,500 eligible accounts were already paid by direct debit, and the rest paid by other means or had nothing to pay due to a discount or exemption. This therefore meant that the team had to collect data for the remaining 15,675 accounts.
- 4.3 A direct debit campaign was started immediately encouraging people to register in order to receive the rebate payment as quickly as possible. Since March we have had approximately 2,500 extra direct debit sign ups, taking the total number of eligible direct debit payers to 51,000.
- 4.4 **Direct Debit Payers** – 97% paid.

In order to receive the payment, the council tax account must match details on the bank account used for direct debit. Contact remains relatively high from customers who have not yet received payment. So far, the following reasons are most common:

- The Council Tax Account is in the name of one person and the direct debit details as in the name of a different person
- The liable person has set up a direct debit using a maiden name and updated the council tax account is in a married name
- There is a spelling discrepancy between the council tax account and direct debit details.

#### **4.5 Cash Payers – 25% paid.**

There are around 13,175 accounts where we do not hold bank details. A simple online form was created for those where current bank details are not held. The form was designed to allow residents to choose a payment into their bank account or a credit to the council tax account. All residents eligible for the rebate who are not paying by direct debit were contacted either by email or letter asking them to complete the form by 1 July 2022.

The Council Tax Team along with officers from other areas within Customer have been supporting people by completing the forms over the telephone, where the customer is unable to do so themselves.

Prior to payment into bank account, the applications must be checked and verified in a number of ways, including the use of the Governments Spotlight tool. This is a lengthy process and will lead to a number of applications requiring manual intervention. Of the 7,300 forms processed over 2,000 were rejected during the verification process, with 3,325 having now been paid. The teams are working to resolve the rejected forms as quickly as possible.

Credits to Council Tax Account are now being worked on and expected to be processed early July.

Forms are still being completed by customers daily, however we are clear that many eligible residents are yet to respond. In July we must consider whether to

contact all residents who have not yet responded to previous comms again. It will also be considered whether a credit should be applied to accounts where the resident does not respond, to ensure they do not miss the last payment dates. It will be possible to subsequently refund these accounts if the customer would prefer the payment into bank account.

#### **4.6 Discretionary Scheme - £318,000 available**

The local discretionary scheme provides payments of £150 for all Local Council Tax Support (LCTS) claimants in Council Tax bands E-H, along with support for those who can evidence financial hardship. Approximately 250 LCTS claimants will benefit from the payment, with a further 1,800 payments available under hardship.

An online form has been developed for applications under hardship or to collect bank details for those in receipt of LCTS. Very few applications have been received to date under hardship. Modelling is now being completed to target the scheme to vulnerable groups and consider opening the scheme to top up those in bands A-D within certain groups.

Residents in bands E-H in receipt of LCTS have now been paid where we held bank details on accounts. Those where we do not hold bank details are now being contacted to complete the online form.

### **5 Equality, Diversity and Human Rights implications**

- 5.1 The main and discretionary scheme proposals went through Portfolio Holder Decision process and included an EQIA for the local scheme.

### **6 Standard References**

- 6.1 There are no particular references to the Strategic Plan; consultation or financial; community safety; health and safety or risk management implications.

### **7 Publicity Considerations**

- 7.1 The rebate schemes have been promoted widely through social media, the website, press releases and through Councillors.
- 7.2 Proactive communications directly to residents have been included.

### **8 Health, Wellbeing and Community Safety Implications**

- 8.1 The schemes have been designed to support households to meet increased energy costs, helping them to keep warm and well.

### **9 Risk Management Implications**

- 9.1 The payment process has been designed to reduce risk of payment in error. Verification checks are completed across all schemes and payment types.

## **Background Papers**

Council Tax Rebate Scheme

Discretionary Council Tax Rebate Scheme